



House of Representatives

General Assembly

File No. 484

January Session, 2003

Substitute House Bill No. 6507

House of Representatives, April 22, 2003

The Committee on Public Health reported through REP. FELTMAN of the 6th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT IMPROVING PHARMACY CARE TO RESIDENTS OF LONG-TERM CARE FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-363a of the general statutes is amended by
2 adding subsection (g) as follows (*Effective from passage*):

3 (NEW) (g) The Commissioner of Social Services, in consultation
4 with the pharmacy review panel established in section 17b-362a, shall
5 update and expand by June 30, 2003, and annually thereafter, the list of
6 drugs that are included in the drug return program. Such list shall, at a
7 minimum, include the fifty drugs with the highest average wholesale
8 price that meet the requirements for the program, as established in
9 subsection (a) of this section.

10 Sec. 2. (NEW) (*Effective July 1, 2003*) The Commissioner of Social
11 Services may, within available appropriations, provide reimbursement
12 to pharmacies or pharmacists for services provided to residents in

13 long-term care facilities, in addition to those reimbursements provided
14 in chapter 319v of the general statutes, provided such services improve
15 the quality of care to residents of such facilities and produce cost
16 savings to the state, as determined by the commissioner. Such services
17 may include, but not be limited to, emergency and delivery services
18 provided such services are offered on all medications, including
19 intravenous therapy, twenty-four hours per day and seven days per
20 week.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>July 1, 2003</i>

PH *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Social Services	GF - Savings	Potential	Potential

Municipal Impact: None

Explanation

This bill requires the Department of Social Services (DSS) to update and expand the list of drugs that are included in the nursing home drug return program. Medicaid is expected to spend approximately \$75 million for pharmaceutical care in nursing home facilities in FY03. The current drug return program is expected to save the state \$1.8 million in FY04. To the extent that the mandated expansion required by this bill increases the number as well as value of the drugs returned for resale, the state could realize additional savings. These savings will be dependent upon which drugs DSS adds to the current drug return program list.

The bill further allows DSS to provide reimbursement to pharmacies or pharmacists that provide additional services to residents of long-term care facilities, provided that these services result in savings to the state, as determined by DSS. This change may also produce savings.

OLR Bill Analysis

sHB 6507

AN ACT IMPROVING PHARMACY CARE TO RESIDENTS OF LONG-TERM CARE FACILITIES**SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner to update and expand the list of drugs included in the Nursing Home Drug Return Program by June 30, 2003, and annually after that. The bill requires the list, at a minimum, to include the 50 drugs with the highest average wholesale price that meet the program's requirements. DSS must do this in consultation with the Pharmacy Review Panel, which advises DSS on the operation of its pharmacy benefit programs, including cost savings initiatives.

The bill also allows the commissioner, within available appropriations, to reimburse pharmacies or pharmacists for services they provide to residents in long-term care facilities (nursing homes), in addition to other reimbursements and dispensing fees already allowed under the state's medical assistance programs, if the services improve the residents' quality of care and produce cost savings to the state, as determined by the commissioner. Under the bill, these services may include, but are not limited to, emergency and delivery services offered on all medications, including intravenous therapy, 24 hours a day, seven days a week.

EFFECTIVE DATE: Upon passage for the drug return program provisions and July 1, 2003, for the pharmacy service reimbursements.

BACKGROUND***Nursing Home Drug Return Program***

By law, nursing homes must return certain unused prescriptions (individually packaged unit dose medications for about 50 of the most commonly used drugs) for their Medicaid residents to the pharmacies that dispense them. The pharmacies may return the drugs to stock (in new packages) and resell them before they expire. DSS must reimburse pharmacies for processing each returned medication (currently \$5).

Facilities that violate this requirement are subject to a \$30,000 fine for each incident of noncompliance. The DSS commissioner can deduct the fine from a facility's Medicaid reimbursement. Fines collected must be deposited in the General Fund and credited to the Medicaid account.

COMMITTEE ACTION

Select Committee on Aging

Change of Reference

Yea 12 Nay 0

Public Health Committee

Joint Favorable Substitute

Yea 21 Nay 0